



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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Board of Supervisors
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MICHAEL D. ANTONOVICH
Fifth District

September 18, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**CHIEF INFORMATION OFFICE:
AMENDMENT NUMBER ONE
TO SOFTWARE SERVICES MASTER AGREEMENT
WITH IBM CORPORATION
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chairman of the Board to sign the attached proposed Amendment Number One to the Master Services Agreement Number 75869 (MSA) with International Business Machines Corporation (IBM) to increase the annual maximum contract sum by \$3,000,000 to \$7,000,000 for calendar year 2007.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed Amendment to the IBM MSA will increase the annual maximum contract sum by \$3,000,000 to \$7,000,000 for calendar year 2007. This increase is requested to accommodate departmental demand for IBM professional and consulting services.

The IBM MSA approved by your Board on September 5, 2006, for a three-year term through September 5, 2009, has an annual contract sum of \$4,000,000. It provides departments with easy access to IBM technical resources that can only be obtained from IBM. These services improve and/or sustain the delivery of critical services to both internal operations and the public. These services include mainframe support, internet portal, server consolidation, asset management, database management, content management, legacy system migration, storage management, application architecture, and system planning.

Since Board approval of the MSA, eight Work Orders were issued for a total value of \$3,941,970. This includes the County Portal Infrastructure and Redesign project approved by your Board on May 15, 2007 (\$2,400,000 for Phase I of the project). A semi-annual IBM MSA status report sent to your Board by the Chief Information Office (CIO) on June 12, 2007, identifies executed Work Orders.

The table below indicates additional Work Orders that currently are under consideration for this calendar year.

Description	Amount
County Portal and Infrastructure Redesign Project Phase II	\$ 600,000
Sheriff Department's Facilities Services Bureau Asset Management System Implementation Project	700,000
Department of Parks and Recreation's Facility Management System Implementation Project	360,000
Fire Department's Inventory and Fleet Management System Project	500,000
Department of Health Services' Portfolio Management System Project	690,000
Total	\$ 2,850,000

To accommodate this demand for additional Work Orders listed above, the CIO is requesting the annual maximum MSA amount be raised from \$4,000,000 to \$7,000,000 for this calendar year. The MSA ceiling will resume to the \$4,000,000 per calendar year ceiling starting January 1, 2008. We will monitor future Work Orders closely and may request increases to the maximum contract sum in subsequent years if the need arises.

The CIO will continue to send semi-annual reports to your Board on use of the MSA. MSA Work Orders over \$300,000 will be submitted to your Board for approval. All project-specific Work Orders will be reviewed by the CIO to ensure the validity of the departmental request in using the MSA. Additionally, all approved projects/Work Orders and related milestones are entered into and tracked within the County's Information Technology Tracking System (ITTS).

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal Number 3: Organizational Effectiveness. The MSA offers the flexibility necessary to meet varied departmental needs while providing a structure for acquiring desired services through a streamlined acquisition process that is standard across the entire enterprise.

FISCAL IMPACT/FINANCING

By approving this proposed Amendment Number One, County departments will continue acquiring services under Work Orders, which govern the terms and conditions set forth in the MSA. Funding will continue to be obtained from departmental budgets. The

Administrative provisions of the MSA require confirmation that funding is available before each individual Work Order is executed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Amendment to the IBM MSA will enable departments to continue to submit Work Orders for various professional and consulting services utilizing IBM technologies. The MSA and proposed Amendment do not allow IBM to perform services on non-IBM products. Work Orders over \$300,000 shall be directed to your Board for approval by the respective departments. Work Orders of \$300,000 or less will be executed by the CIO.

The proposed Amendment Number One has been approved by County Counsel. The MSA and the proposed Amendment contain all County-required contract provisions.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Amendment will provide County departments with continued access to IBM professional and consulting services. Without approval of this proposed Amendment, Work Orders from departments will be delayed for at least six months until the next calendar year. This will impact their ability to provide timely services to the public.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer-Clerk of the Board return one adopted copy of the Board letter and three executed copies of this Amendment to the Chief Information Office for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:LN:JWF
LM:dc

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Information Systems Commission
IT Board Deputies

AMENDMENT NUMBER ONE

TO

MASTER SERVICES AGREEMENT

BY AND BETWEEN

THE COUNTY OF LOS ANGELES

AND

INTERNATIONAL BUSINESS MACHINES CORPORATION

FOR

INFORMATION TECHNOLOGY SERVICES

75869 Supplement No. 1

AMENDMENT NUMBER ONE TO
MASTER SERVICES AGREEMENT BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
INTERNATIONAL BUSINESS MACHINES CORPORATION FOR
INFORMATION TECHNOLOGY SERVICES

This Amendment Number One to Master Services Agreement ("Amendment No. 1") is entered into as of SEPTEMBER 18, 2007 by and between the County of Los Angeles, a political subdivision of the State of California ("County") and International Business Machines Corporation, a New York corporation ("Contractor"), with reference to the following facts.

Recitals

A. County and Contractor entered into that certain Master Services Agreement for Information Technology Services (the "Agreement") which was approved by County's Board of Supervisors on September 5, 2006.

B. The parties now wish to amend the Agreement in order to provide for an increase in the maximum contract sum under the Agreement .

NOW, THEREFORE, pursuant to Paragraph 10 (Change Notices and Amendments) of the Agreement, County and Contractor hereby agree to amend the Agreement as follows.

1. Paragraph 12.2 of the Agreement is hereby deleted in its entirety and is replaced by the following new Paragraph 12.2 to read as follows:

"12.2 The "Maximum Contract Sum" shall be the total monetary amount payable by County to Contractor for supplying the Services under this Agreement. The total amount which may be paid by County to IBM during the 2007 calendar year (January 1 through December 31), including all applicable taxes, shall not exceed Seven Million Dollars (\$7,000,000.00). The total monetary amount which may be paid by County to IBM during each subsequent calendar year (January 1 through December 31) of the term of this Agreement, including all applicable taxes, shall not exceed Four Million Dollars (\$4,000,000.00)."

2. In all other respects, the Agreement, as amended under this Amendment No. 1, shall remain in full force and effect.

SIGNATURES ON FOLLOWING PAGE

**AMENDMENT NUMBER ONE TO
MASTER SERVICES AGREEMENT FOR
INFORMATION TECHNOLOGY SERVICES**

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Amendment Number One to be subscribed by its Chairman and the seal of such Board to be hereto affixed and attested by the Executive Officer-Clerk thereof, and Contractor has caused this Amendment Number One to be subscribed in its behalf by its authorized officer, effective as of the date approved by such Board.

COUNTY OF LOS ANGELES

By

Zev Yaroslavy
ZEV YAROSLAVSKY
Chairman, Board of Supervisors

ATTEST:
SACHI HAMAI
Executive Officer-Clerk
Los Angeles County
Board of Supervisors



By

[Signature]
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Directors

By

[Signature]
Deputy

INTERNATIONAL BUSINESS
MACHINES CORPORATION
Contractor

Signed: Deborah Lis

Printed: Deborah Lis

Title: Client Executive

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By

[Signature]
JOSÉ SILVA
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
CITY OF LOS ANGELES

15

SEP 18 2007

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

15 of SEP 18, 2007